

# State of Wisconsin, Department of Revenue

DIVISION OF STATE AND LOCAL FINANCE, BUREAU OF PROPERTY TAX, 2135 Rimrock Road, P.O. Box 8971, MS6-97, Madison, WI 53708-8971

## REAL ESTATE TRANSFER NEWS (RETN)

March 2007

The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. Should you have any questions, please write to:

Wisconsin Department of Revenue  
Division of State & Local Finance  
Bureau of Property Tax  
P.O. Box 8971, MS 6-97  
Madison, WI 53708-8971

This RETN may be found on the Internet at the Real Estate Transfer and Merger/Conversion web site under Resources: <http://www.revenue.wi.gov/ust/retn.html> (new address effective Jan 2007. Delete old "Favorite" and add this one)

The Wisconsin Department of Revenue has completed its first year with the eRETR. Calendar 2006 began with 8 counties accepting the eRETR, 10 were added in January, 23 in February, 27 in March and the final counties in April. Even though the all counties were not "online" the entire 12 months, there were 39,424 eRETRs filed out of 233,381 total returns, or 16.89%. Portage County received the highest percentage at 62.77%.

**Thank you and congratulations to all the title companies, attorneys and filers that used the eRETR!**  
**Thank you and congratulations to all the County Officials that helped make this a successful program!**

The eRETR (electronic Real Estate Transfer Return) is located at: <http://www.revenue.wi.gov/ust/retn.html> and under Filers, click on "Use eRETR".

## RETN FREQUENTLY ASKED QUESTIONS

**Q1. Is a transfer return with exemption 77.25(11m) required with the final judgment and personal representative deeds, as well as the new TOD-110 form which pertains to nonprobate transfer of real property under s. 705.15, Stats. to a Transfer On Death (TOD) beneficiary?**

**A.** Yes. When the document being recorded indicates the property is being transferred to a beneficiary who was designated on a previous recording, a transfer return is required (at this time you must complete a paper PE-500 return.) The document number of the recorded document that established the TOD beneficiary must be entered on Line 20a of the paper PE-500 transfer return. The electronic transfer return (eRETR) will be updated to allow the exemption to be selected and the document number must be entered in the next box after selecting exemption 11m in the same manner as exemptions 3 and 17. The paper PE-500 transfer return must be signed and can be signed on behalf of the grantor and grantee by the same person signing the document being recorded. The eRETR does not require a signature. A primary reason for the transfer return is to enable the county to update the property tax bill report, so that the tax bill will be sent to the correct person and address.

Note: That the HT-110 does not need a return as s. 77.25(11), Stats. applies since this document only provides notice of the termination of decedent's interest that has already occurred by operation of law upon the person's death. The HT-110 should not be used for the TOD interest.

**Q2. I am gifting my property to my children and grandchildren while keeping a life estate. Is there a formula to calculate the value of the property being conveyed?**

**A.** The value that needs to be on the return is the fair market value actually being transferred. This is calculated on the fair market value of the property multiplied by a factor as determined on the Actuarial Tables in IRS Publication 939, General Rule for Pensions and Annuities. This publication may be found on the IRS web site ([www.irs.gov](http://www.irs.gov)) at <http://www.irs.gov/pub/irs-pdf/p939.pdf>  
The value gifted to the children would be exempt from the transfer fee per s. 77.25(8), Stats. While the value gifted to the grandchildren would be subject to the transfer fee. On the eRETR "Fee computation" page, enter the total value in "Total value of real estate transferred" as calculated using the Actuarial Tables referred to above, and in the "Value subject to fee" enter the calculated value to the grandchildren. Select "8-gift Parent/Children" in the exemption selection box.

**Q3. I received a Receipt with only one parcel listed and the deed has two separate parcels. Can I record the deed and submit the recording information on the eRETR? My understanding was the Property Lister is responsible for the parcel numbers. If the parcels are wrong or incomplete they can add/delete/correct once they get the form.**

**A.** No. All grantors, grantees and parcels (with exception noted below) **MUST** be on the Receipt. Leaving off any of those is ground for rejection of the recording. Item 4 of the Criteria states:

*· All parcels listed on the document are on the Receipt. When there are five or fewer parcels, each must be listed in a separate parcel section (Add Parcel). When there are more than five, the first five must be listed separately under "Parcels" and the remainder may be listed separately here or listed under the "Short legal description". If your county does not require parcel numbers on the document (they are required on the return), you can verify the property using the legal description. The return does not require a legal description when the Subdivision/Condominium section is completed, unless there are more than five parcels and the additional parcels are listed here.*

It is correct that parcel numbers can be edited by the property lister. However; it is very important that the Receipt "mirrors" the document for grantors, grantees and parcels. We can not expect the lister or Revenue to complete the transfer return by adding parcels when it is the responsibility of the filer (title company) to have a complete return. The eRETR business rules insure all required items are completed. The only thing the eRETR can not do is check that all grantors, grantees and parcels are included. If not all grantors, grantees and parcels are not listed, see Q4, Item 2 for the filer to correct the Receipt. We will not accept an "amended return" for this.

Criteria web link: <http://www.revenue.wi.gov/ust/pe-520.html>

**Q4. I am trying to file an Amended Real Estate Transfer Return PE-500x to correct a name. It requires entering a document number, but I do not have one since I have not sent the deed and Receipt to the Register of Deeds. How do I fix an error on a Receipt?**

- A.** The Amended Real Estate Transfer Return PE-500x is only used **AFTER** a deed has been recorded and an error is discovered. There are three different times and ways to make corrections:
1. While filling out the eRETR and an error is seen on the Summary page, go back to that section and make the correction.
  2. After clicking the green Submit button, error is discovered on the Receipt;
    - a. Make sure the file is saved as stated on the notice.
    - b. Restore the saved file by going back to Real Estate Transfer page, Use eRETR, Start and Restore Saved Information (button above the county select box). If the file was not saved, you must begin a new eRETR.
    - c. Make correction and save, then click green Submit button. You will get a Receipt with a new receipt number to send in with document. Toss the "old" Receipt out.
  3. After ROD records deed; Use the Amended Return on the Real Estate Transfer and Merger/Conversion web site. The PE-500x can only be used after deed is recorded since one of the required fields to complete is the document number.

Note: Before sending to the Register of Deeds, make sure all grantors, grantees and parcels on the document match the Receipt. The Register of Deeds must reject it if all the names and parcels on the document being recorded do not match the Receipt. See Q3 above.

**This Q&A is a repeat from October 2006 RETN as DOR is receiving amended returns for corrections before recording of the documents. The filer needs to correct the eRETR as described in Item 2 above.**